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PERSONAL & CONFIDENTIAL

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Department of the Air Force
Washington 25, D. C.

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One of my agents indicated that you had made casual inquiry, in the course of an interview on an entirely unrelated matter, as to the policies of employment by CIA of officers retired from the military service.

The specific circumstances under which a retired officer could be employed would depend upon which of the three categories below would apply in the particular officer's situation:

a. If he retires on longevity, he may be employed under the provisions of Public Law 82-53, which law authorizes the Agency to employ not more than fifteen regular retired officers. Under Agency application of the Economy Act of 1932 (dual compensation), he must elect to receive either his retired pay or his civilian salary, irrespective of the amount of either.

b. If he retires for a service-connected disability (injury or incapacity incurred in the line of duty except for combat disability), there is no restriction on his being employed. However, under the Economy Act of 1932, his remuneration cannot exceed \$10,000 per year. This means that he could draw only that portion of his retired pay which when added to his civilian salary would total not more than \$10,000 per year. If his civilian salary would exceed the latter figure, all of his retired pay would have to be forfeited during the period of employment.

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c. If he retires on combat disability, there is no restriction on his being employed and he may retain both his retired pay and his civilian salary.

Under current statutes, the following civilian retirement and leave computation factors would apply:

a. Military service would not be creditable toward civil service retirement, except as noted in b below.

b. Military service would be creditable, even though the officer is receiving military retired pay, if the retired pay is based on a combat disability. Military service would also be creditable if he opted to waive his military retired pay.

c. Military service is creditable for the purpose of computing annual leave.

It should be noted that legislation (HR 7381) has been introduced in Congress to simplify, modernize, and consolidate the laws relating to the civilian employment of retired members of the military services. The provisions of HR 7381 liberalize the conditions under which retired military officers can be employed as civilians. With regard to salary and retired pay, the bill states that a retired member of a military service can receive his full civilian salary, plus the first \$2,000 of his retired pay and one-half of the remainder of the retired pay, if any.

If there are any further questions you might have in mind, or if there are specific individual cases on which you might wish an Agency opinion, I would be happy to oblige.

Faithfully yours,

/s/ Marshall S. Carter

Marshall S. Carter
Lieutenant General, USA
Deputy Director

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